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NSC BRIEFING

5 October 1954

SITUATION IN VIETNAM

I. Elements favoring and opposing Diem government still approximately in balance.

II.



A. Opposition led by Generals Hinh, Xuan, and Vien.

1. Hinh, as chief of staff, holds over head of government threat of armed coup, although loyalty of army as a whole to Hinh uncertain.

B. General Vien is self-styled "general," leader of Binh Xuyen gangster organization which supplies large part of Bao Dai's income.

C. General Xuan represents no one; like Hinh, he is French citizen and officer in French Army.

D. This group met with Hinh on evening of 4 October, demanded virtual surrender of government authority to themselves.

III. On preceding day, however, Bao Dai conferred with Ambassador Heath on Riviera, and told him that he backed Diem, distrusted Xuan, and preferred that Hinh not be given cabinet post.

A. Bao Dai said conflict between these views and those in 1 October telegram was due to drafting error.

STATE & NSC reviews completed

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- B. Bao Dai in Heath interview, made no reference to Binh Xuyen; he may still count on this strong-arm outfit as instrument of his political strength.
- C. Bao Dai told Heath he wants Hinh to remain as chief of staff.
 - 1. Heath and Ely see no alternative.
- IV. French agreement, in last weeks Washington talks, to back Diem greatly improves his prospects, provided French stick to promise; this is by no means assured.
 - A. Ely's deputy, Daridan, is strongly anti-Diem.
 - B. Daridan, in conversation with embassy officer, professed to believe US interested only in keeping Diem as powerless figurehead.
 - C. Our embassy in Paris reports strong pressure on French government to appease Viet Minh; such a policy would preclude whole-hearted co-operation with Vietnamese nationalists.
 - D. But Mendes-France on 3 October, after reiterating French misgivings as to Diem's ability, told Secretary Dulles he would give premier "good try."
- V. Diem's opponents may simmer down for time being, but he still faces protracted fight to ensure control.
 - A. He can't count on real loyalty of any of existing politico-military groups.

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- B. He must gain control of army before stable government is possible.
- C. He must build some semblance of political party around him.
- D. Representation of Cao Dai and Hoa Hao in government dating from 24 September constitutes substantial increment in organized political strength, but Diem needs other strength to offset self-seeking of these groups.

✓ VI. While government in South unable to get on its feet, Viet Minh undertaking extensive army reorganization.



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- B. This virtually double pre-truce divisional strength of 6 infantry, 1 artillery.
- C. Aim is to develop modern army of greater fire power, capable of large-scale operations.
- D. Chinese aid, illegal under Geneva agreement, making this build-up possible.
- E. Already, aid shipments since truce have resulted in 50 percent increase in artillery weapons, have included enough mortars and recoilless rifles

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for five infantry divisions. On 28 September, 155mm artillery reportedly moved by rail in vicinity of border town of Lang Son.

F. Viet Minh, failing victory at polls in 1956, could employ forces for rapid military conquest.

VII. Another Viet Minh activity: establishment of "repentance camp," near Hanot.

A. This for purification of former civil servants and so-called intellectuals desiring Viet Minh's "pardon."

B. These bourgeoisie will examine their consciences, accuse themselves of past faults, prepare to become citizens of "new democracy."

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